

# Report

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Report to:	<b>Housing and Technical Resources Committee</b>
Date of Meeting:	<b>17 February 2010</b>
Report by:	<b>Executive Director (Housing and Technical Resources)</b>

Subject:	<b>Award of Debt Management Contract</b>
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## 1. Purpose of Report

1.1. The purpose of the report is to:-

- ◆ advise Committee of the outcome of the tendering process for the Debt Management Contract
- ◆ request approval for contract award

## 2. Recommendation(s)

2.1. The Committee is asked to approve the following recommendation(s):-

- (1) that the Debt Management contract 2010-2013 be awarded to bcwgroup plc

## 3. Background

- 3.1. The current Debt Collection and Sheriff Officer contracts expire on 31 March 2010.
- 3.2. In seeking operational and financial efficiencies from the new contract, a single supplier was sought to deliver all services under a single Debt Management Contract.

## 4. Tender Process

- 4.1. The tender process for the new Debt Management supplier commenced in July 2009 with publication of the tender advert in the Official Journal of the European Union (OJEU).
- 4.2. 6 expressions of interest and pre qualification questionnaires were received and all parties were issued with an invitation to tender. Of the 6 invitations to tender issued, 4 tender submissions were received on 30 October 2009.
- 4.3. In November 2009, 1 tender was excluded from the evaluation due to unquantifiable pricing. This was in relation to the tenderer's interpretation of the contractual requirements under TUPE being at variance to the Council's legal opinion on this matter.

## 5. Tender Evaluation

- 5.1. An Assessment Panel of 3 officers was established, two from Benefits and Revenues and one from Procurement Services. The Panel carried out a detailed evaluation of the remaining 3 tender bids included site visits in December 2009.

- 5.2. Tenders were evaluated on the criteria of 60% cost and 40% quality. The proportions selected for the evaluation criteria reflect the importance of quality service provision to contribute to ongoing improvements in Council Tax collection performance.
- 5.3. Assessment of quality was based on a number of factors, including systems and telecomm functionality, areas of innovation and the recovery model proposed. The Assessment Panel examined the information provided both in the tender and during the site visits. The site visits were also used to verify information provided in the tender document. In relation to systems and telecomm functionality the Assessment Panel required tenderers to demonstrate that they had experience in this area and that they had systems and staffing structures currently in place and operational that would provide the Panel with confidence that they could undertake the contract with minimum risk to the Council. The site visits also gave the Assessment Panel the opportunity to assess the tenderers proposals on providing innovative ideas to the collection of debts in the future. The assessment also took account of the tenderers proposed recovery model and the degree of certainty that the Council could place on this model in terms of delivering the required savings to the Council.
- 5.4. Following a full assessment of each tenderer based on cost and quality, the potential suppliers received the following weighted scores:

<b>Tenderer</b>	<b>Score</b>	<b>Ranking</b>
bcwgroup plc (A)	86.95	1
Tenderer (B)	80.39	2
Tenderer (C)	65.55	3

## **6. Tender Award**

- 6.1. The Assessment Panel consider that bcwgroup plc best demonstrated the ability to deliver the Council's operational requirements.
- 6.2. While bcwgroup's tender costs were not the lowest tender bid, the Assessment Panel believe that awarding the contract to bcwgroup delivers Best Value in relation to cost and quality combined. A major part of this decision was as a result of the visit to bcwgroup's offices by the Assessment Panel, who unanimously agreed that the evidence presented in relation to their current operating set up and experience combined with their proposals for innovation and recovery was the most effective solution for the Council. A detailed analysis is attached at appendix A

## **7. Employee Implications**

- 7.1. There are no employee implications.

## **8. Financial Implications**

- 8.1. The total cost of the contract over three years is estimated at £1.2m over the three year contract term. Full budgetary provision exists for this expenditure.

## **9. Other Implications**

- 9.1. None.

## **10. Equalities Impact Assessment and Consultation Arrangements**

- 10.1. This report does not introduce a new policy, function or strategy or recommend a change to an existing policy, function or strategy and, therefore, no impact assessment is required.

10.2. There is no requirement to undertake any consultation in relation to the content of this report.

## **11. Risk Assessment**

11.1. The risks associated with the above proposals have been assessed and added to the Resource Risk Register.

**Jim Hayton**

**Executive Director (Housing and Technical Resources)**

11 January 2010

## **Link(s) to Council Objectives and Values**

♦ Accountable, effective and efficient

## **Previous References**

♦ Minutes of Housing and Technical Resources Committee 7 February 2007

## **List of Background Papers**

♦ Contract Documentation

## **Contact for Further Information**

If you would like to inspect the background papers or want further information, please contact:-

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